

MEETING #23– May 26

At a Workshop Meeting of the Madison Board of Supervisors on **May 26, 2011** at 2:00 p.m. at 302 Thrift Road:

PRESENT: James L. Arrington, Chairman
Jerry J. Butler, Vice-Chairman
J. Dave Allen, Member
Pete J. Elliott, Member
V. R. Shackelford, III, County Attorney
Lisa Robertson, County Administrator
Jacqueline S. Frye, Secretary

ABSENT: Eddie Dean, Member

Chairman Arrington called the meeting to order and established the presence of a quorum, noting that all members are present.

Chairman Arrington then commenced the meeting with the Pledge of Allegiance and a Moment of Silence.

Chairman Arrington asked if there were any additions or corrections to the agenda.

The County Administrator advised that Mr. Hawkins would like to address the Board during today's session.

1. Workshop Agenda Items:

a. Presentation: Dr. David Sam (Germanna Community College):

Dr. David Sam was present and advised that he attended some recent budget hearings, but was unable to come forth to thank the Board for the continued support, as the funds assist with scholarships, parking allocations and other services offered to students. Additionally, he provided a general report of the post secondary services offered to students from Madison County, and wants to encourage students to at least attend 'somewhere', whether it's in Culpeper or Charlottesville. Also, he stated that growth is slowing a bit due to the recent economy (fall 2006 through 2010) and attendance rates have been at about fifty percent (50%), and he hopes this level will get better in time; however, the Culpeper facility isn't yet a full campus and some students do travel to Locust Grove. Furthermore, he and Dr. Eberhardt have been working together in order to partner during the next budget year and have planned to hire a career coach to offer services to Madison County (the same as for Orange and Culpeper), who are employed by the college and offer supplemental services to the local high school counselors (to include crisis management) and assist students with planning

a future career by assessing what type of training will be needed to help them attain to plan a future career and assess what type of training will be needed to help them attain their future goals. The approach of having a career coach has been in place for about three (3) years and an increase has been noted in localities where this endeavor has been utilized, versus the areas where it isn't. A meeting has also been held with the Madison Education Foundation where discussions revolved around ways in which joint endeavors can be accomplished in order to meet the goal of having an early college program to benefit seniors as well as adults within the community, as the goal is not to leave anyone behind. In closing, he advised that the facility is working on a major fundraising campaign in order to attain some of the ideas discussed today, as well as to assist the workforce, as being researched by Mr. Russell James, and feels the relationship between the facility and Madison County is very encouraging.

Supervisor Butler questioned if there were any plans to implement a training location within Madison County, preferably for adults. Additionally, he also questioned student interest being sought before space is available to launch a long-range plan.

Dr. Sam advised there are currently no plans in place at the present time, but there is a desire to partnership with the local high school. In closing, he advised there must be enough students involved in order to subsidize such a program, and advised that the college is very flexible and needs are addressed with small classes being held at alternative sites (i.e. local libraries). Also, the community will be made abreast of any needs that come forth.

Chairman Arrington thanked Dr. Sam for attending today's session and stated he firmly believes there is a problem with trying to sell citizens on the advantages of attending the local community college, as everyone wants to attend larger institutions. In closing, he asked for some input as how to sell this ideal to the parents within the community by holding a public forum to explain the assets and value of local tuition costs versus larger institutions.

Dr. Sam stated there is a greater number of students coming to the local community college after high school than in the past, and the cost is about one third less than most state universities. Additionally, the facility will be hiring outreach personnel to go forth to handle these endeavors. In closing, he offered to provide information to the public or bring others to speak to the citizens about the advantages of attending Germanna Community College.

Dr. Sam also advised that Jill Johnson (community representative) will be the designated Chair of the College Board during the upcoming year.

b. Presentation: VML/VACo (Options for Financing CIP):

The County Administrator advised that Mr. Bob Lauterberg, Managing Director, is present to provide input regarding financing options offered through VML/VACo Finance. Additionally, this entity has financed the local Courthouse Project and Mr. Lauterberg has been invited to provide the County with options to refinance all existing outstanding debt (long-term) as one mechanism to include projects denoted in the capital improvement plan.

Mr. Lauterberg provided reference materials on financial options which included the following concepts:

Presentation Outline

- **About VML/VACo Finance**
- **Madison County (debt affordability analysis)**
- **Financing Options**

a. About VML/VACo Finance:

- Established in 2003 as a service for members of VML & VACo
- Offering low-cost responsive programs for Virginia localities:
 - Financing (interim & long-term)
 - Pooled OPEB Trust (for funding post-employment benefits; actuarial services also available;
 - Accounting services (accounting staff support)

Today, Virginia's most widely used finance program (list of localities)

b. Local Government Credit Analysis (four determinants):

- Administrative/Management (strategic direction, political environment, professional management;
- Economy (local tax base, diversification);
- Finances (financial flexibility, fund balances, tax policy)
- Debt (amount of debt outstanding and proposed)

Financial Highlights (Madison County)

a. The Economy – Standout items:

- **Assessed value has increased significantly**
\$820 million in FY2005; \$3.9 million in FY2010
An average annual rate of increase of 36.7%
- **Assessed value per capita = \$286,395**
- **Unemployment less than Virginia & US Averages (2010)**
Madison Co.: 6.2%

Virginia:	6.9%
U.S.:	9.6%

b. The Economy – Additional factors:

- Growing population
12,519 in 2000 census; 13,702 today
An annual increase of 1% per year
- Relatively low taxpayer concentration (2008 data)
Top 5 taxpayers comprise 1.2% of AV
Top 10 taxpayers comprise 4.9% of AV
- Income per capita less than Virginia and U.S. averages
Madison Co.: \$32,114
Virginia: \$44,057
U.S.: \$39,635

c. Finances:

- GF Balance of \$5.4 million (FY2010)
Equal to 27% of GF expenses
Exceeds benchmark minimum
- Tax Collections well within benchmark limits:
97-99% past three years
- Tax rates/revenues/spending:
Primarily examined by municipal debt analysts in relation to the locality's ability to support debt levels

d. Debt:

- Debt is small in relation to AV
General debt is currently \$7.6 million
General debt equals 0.19% of assessed value
- Key debt ration (debt service is a percentage of the general fund)
One rule of thumb: 15%
Currently, general debt service equals 8.2% of general fund expenditures

VML/VACo Financing Options

a. Variable rate financing:

- Commercial paper program – targeted to stronger credits; loan size of \$3MM+; any term; low closing costs.
- Commonwealth loan program – available to wider range of credits; loan Size of \$500,000+; any term; no closing costs

b. Fixed rate municipal bonds:

- Polled Bond program – provides fixed rate loans with terms typically 20-30 years; pooling reduces costs of issuance by 30-50% vs. stand-alone bonds

- **Fixed Rate Loan Program** – provides fixed rate loans with terms up to 15 years; closing costs typically 80-90% less than stand alone bond issue

Pooled Bond Program

- Provides a single source for long-term financing over 20-30 years – VML/VACo finances projects (and combinations) of all descriptions including schools, administrative buildings, water systems, etc.
- We have assembled industry leaders to offer bond financing at a fraction of the cost participants would pay on their own.
- We take the lead in: 1) preparing bond documents, key service schedules, and rating agency submissions, etc., 2) negotiate bond pricing, 3) monitor arbitrage for no additional cost.
- VML/VACo Finance staff members are registered with MSRB and SEC as Municipal Advisors.

Fixed Rate Loan Program

- Provides lease financing for moveable equipment and financing of real property which may be structured either as a lease or secured by local pledge.
- Offered in partnership with pre-selected banks and financial institutions selected through a competitive procurement process.
- By soliciting multiple quotes from competing institutions, localities are assured of competitive rates.
- No minimum financing term; maximum term 15 years.
- Standardized documents streamline the closing process and reduce costs.

Madison County's Requirements

- **Draft Capital Improvement Plan: 2012-2014** **\$11.8 million**
- 2012-2017** **\$15.6 million**
- **Current Debt Service (FY2012):** **\$1.8 million**
- **Debt Service – Literary Fund Loan only (FY2013):** **\$393,700**
- **Capacity for new long-term debt service:** **\$1,4 million**
(includes take-out of commercial paper loan)

Two Financing Scenarios

- **Pooled Bond Program**
 - **Spread payments over 20 years**

- Larger amount may be financed with same annual debt service payments
- 20-year True Interest Cost: 5.03%
- Fixed Rate Loan Program
 - Finance over maximum of 15 years
 - Lower interest cost
 - 15-year True Interest Cost: 4.10%

Comparison of Alternatives:

	Pooled Bond Prog	Fixed Rate Loan Prog
Amount that may be financed (total)	\$17.7 million	\$15.8 million
New money (excludes refinancing of Courthouse loan)	\$14.7 million	\$12.8 million
Term of financing	20 years	15 years
True Interest Cost	5.03%	4.10%
CIP Funding	Funds 94% of Draft CIP	Funds 82% of Draft CIP

The County Attorney questioned whether there would be an advantage if the school system participated in the financing program instead of the local governing Board.

Mr. Lauterberg advised it would be best that the County take the taxing ability on this issue; he also advised that some localities have much difficulty navigating this type of task.

The County Attorney asked for clarification on how the bond and fixed rate program work.

Mr. Lauterberg provided a brief overview and advised that the County would enter into a lease agreement with bond investors.

The County Administrator shared some information on the CIP projects for FY2012-2014 and their anticipated costs and also advised that the literary fund can continue, however, the commercial paper loan will be paid off and interest will decrease over time.

Discussions continued about the payoff of the existing school loans (Wetsel Middle School, Madison County High School, Waverly Yowell Elementary School), and it was also denoted that additional monies can be loaned if the obligations are stretched over a longer period of time, which will allow all projects included in the CIP to be financed.

The County Administrator questioned in the event the County selected a program, how long soon do the funds have to be utilized.

Mr. Lauterberg advised there are more rules that govern the bond program and the County should expend the funds within a two-year (2) period. Additionally, details would need to be addressed through the lending institutions that will be involved.

The County Administrator provided a scenario as to how to define collateral if the locality was looking to add to the existing value of a property.

Mr. Lauterberg recommended the County be as 'broad' as possible.

Jim Nelson of the Madison County School Board was present and feels today's presentation is an excellent program that offers exceptional rates at a time when construction costs are extremely low.

Larry Levatto of Crabtree-Rohrbaugh Associates was present and advised that bids have remained very low on all projects and materials pose the greatest increase as a result of all the natural disasters that have recently occurred.

The County Attorney stated that less contractors are bidding projects and suggested the County not underplay the bidders but reflect more in the interest rates.

Supervisor Allen questioned the turnaround time that would be involved.

Supervisor Butler questioned whether a public hearing would be needed to advise the public.

The County Attorney advised that for this type of endeavor, there are no requirements for a public hearing as the public is already well aware of the CIP after all the budget meetings.

The County Administrator advised that a public hearing was also held on the CIP and the budget, and all documentation has been approved by the Board with no new concepts being included.

Supervisor Butler advised there was no information calculated for the Criglersville Elementary School.

The County Administrator advised that this facility wasn't defined as a project nor were any vehicle purchases. In closing, she advised the County can still apply a greater dollar amount to different projects, but no school buses are being included in the CIP.

The Board thanked Mr. Lauterberg for attending today's session.

c. Presentation: County Administrator (Participation in "Accelerate Virginia"):

The County Administrator advised that a research group from Virginia Tech has facilitated a program that promotes broadband services throughout Virginia and they have asked the localities to log onto a website and participate in a speed test survey. Additionally, she advised the facility plans to use the results of the speed test survey to map the areas within Virginia at the FCC level to determine where broadband services aren't available and denote dead zones. Lastly, she advised the map will be constructed to denote the findings of the survey in the hopes that all information provided will be distributed to localities and identify coverage areas from proposed towers. Also, Fauquier and Stafford have started participating in the project and she strongly suggested that Madison County also participate. In closing, she advised that the speed test survey can only be accessed by computer (no cell phones).

Supervisor Allen asked if the school system would allow the school computers to also be used in this endeavor.

The County Administrator also advised there is no deadline and that the project will be ongoing, and also suggested this information be made available to the citizens in order to attain aggressive level of public participation. Also, she believes the VACo newsletter contained some information about the program (in a recent edition), but not many localities have responded to date. Also, once a locality decides to participate, an aggressive public information campaign can be launched to advise the citizens; although the program is just getting started, information will be collected for quite some time. In closing, she advised that a notice can also be posted to the County website should the Board desire, along with a publication in the local newspaper, if requested.

Supervisor Butler questioned if the E911 communication system could be utilized to advise citizens and the time at which calls will be made.

Mr. Finks advised that this could be possible, if requested.

The County Administrator advised that she would only like to use the E911 communication system to advise of public safety issues/emergencies.

After discussion, it was the consensus of the Board to allow the County Administrator to move forward with facilitating information to the public on the speed test survey.

The County Attorney questioned the status of the installation of the cable along Route 29, as there has been very little information reported on the project.

The County Administrator advised that the process is complete through Madison County and has been advised that two (2) conduits will be installed with one (1) being intended to run to the Charlottesville area to serve governmental entities located there. Additionally, the entity handling the project is an infrastructure provider that plans to assist AT&T (not private residents), although there are access points located at every 1,000 to 1,500 feet along the network.

Supervisor Elliott advised there is nothing operational yet and there are only conduits in place.

Supervisor Butler questioned the Verizon cable that is in place near Graves Mill.

The County Administrator advised that no information has been shared by Verizon.

Robert Finks, Director of Emergency Communications, was present and advised that the cable was all destroyed during the flood of 1995.

d. Presentation: Mr. Hawkins (future possibility of building a skate park):

The County Administrator advised that Mr. Hawkins would like to present some ideas to the Board.

Mr. Hawkins advised that he is interested in renovating some abandoned space (possibly at Criglersville Elementary School) to build a skate park. Additionally, he has met with the Madison County School Board and the Madison County Park & Recreation Authority to present his ideas and also asked:

- i) What property(ies) would be most fitting that could also possibly include arts, crafts, woodworking and music activities;
- ii) What square footage is currently available;

Mr. Hawkins also advised that he feels the County is in need of a skills center and other outdoor activities (i.e. sports tournaments, night activities) as a means to assist with building the tax base. Additionally, he advised that he would also be interested in utilizing any recycled materials as opposed to having these materials placed at the local transfer station and hauled away at the County's expense.

Supervisor Butler suggested that Mr. Hawkins try to align his ideas with the Madison County Park & Recreation Authority.

Supervisor Allen suggested that fundraising ideas be investigated as a means of generating revenue for today's proposed endeavor.

Mr. Hawkins advised that he would anticipate the activities he'd like to provide would bring in revenue and feels that a skate park doesn't have to be big in order to be exciting. In closing, he advised that he would like to see more recreation in Madison County besides youth sports activities hosted by the Madison County Park & Recreation Authority, and feels this endeavor will also encourage adults to return to participating in recreational activities.

The Board advised Mr. Hawkins that Ms. Susan Apel is currently working with some volunteers and they are currently performing clean up efforts to the exterior of the Criglersville Elementary School; however, they aren't allowed to enter the building due to the poor condition of its interior.

Supervisor Elliott left at 3:55 p.m. to attend a meeting of the Shenandoah National Park – Blue Ridge Committee

e. Request for Special Use Permit (Mr. Martin):

David Martin was present and advised that he attained a special use permit in September 1987 to operate an auto repair shop at his property off Route 662. Recently, he is pursuing a dealership license because his son would like to buy cars, repair them and resale them at the existing site. Therefore, he met with Betty Grayson, Zoning Administrator, to see if he could apply for a special use permit to operate an auto dealership on his property along with an existing auto repair shop, and was advised that this wouldn't be allowed and explained the reasons in full detail (which he appreciated). Lastly, he was advised to come before the Board to see if a portion of the property could be rezoned or investigate whether a zoning text amendment could be attained.

Supervisor Butler asked, in an effort to be more business friendly, could there be a way the auto repair shop could be authorized to sale cars that are repaired at the site.

The County Attorney advised that the County's Zoning Ordinance is a land use document and the request being presented (auto dealership) is allowed by special use permit in a B-1 and some M-1 zones, but not in an A-1 zone, which is where the existing property is located. Additionally, the County Attorney also advised there is a logical line draw between auto repair and auto dealerships within Madison County.

Mr. Martin explained that a prospective auto dealer must first go to the DMV and attain a set of dealer tags before cars can be sold at a location. Also, according to code, there are specific guidelines that must be followed in order to operate an auto dealership.

Supervisor Allen asked Mr. Martin how much land is involved and how much property is allowed under the special use permit.

Mr. Martin advised that his property consists of seven (7) acres (i.e. three [3] acres for the shop and the remainder for the dwelling).

The County Attorney advised that the County would have to change the existing Zoning Ordinance and denote all proposed uses under one category.

Supervisor Butler advised when discussions were held about rezoning property from A1 to B1, it was denoted that there are quite a few business locations within the County that are empty or under utilized. In closing, he wasn't sure if this approach was a viable option.

The County Attorney advised that a recent location has been vacated by a previous auto dealer on Rt. 29, to which Mr. Martin advised that he didn't want anything quite that size, but only wanted to pursue a dealership alongside the existing repair shop. In closing, he advised that Virginia law would require him to have an office building for the auto dealership with minimal accessories (i.e. desk, filing cabinet).

Supervisor Butler commented on the controversy that was brought forth with prior rezoning issues and advised that should Mr. Martin decide to move forward with a larger auto dealership, this would be most favorable for the County.

The County Attorney advised that the issue of a text amendment is a very difficult process and one must realize that such an amendment would apply to the existing property and other sites throughout the County within all A1 zones. In closing, he advised there is simply no way to be 'site specific' and feels that the Zoning Administrator was exact in providing information and available options to the applicant and also suggested the applicant possibly pursue a conditional rezoning request which is helpful in some cases.

After discussions, it was suggested that Mr. Martin return to discuss this issue with the Zoning Administrator.

The County Attorney also suggested that Mr. Martin be made aware of any future sites that become available that would be suitable.

Mr. Martin thanked the Board for allowing him to present his request.

c. Adjournment:

With no further discussion or action being required by the Board, on motion of Supervisor Allen, seconded by Supervisor Butler, Chairman Arrington adjourned the meeting, with the following vote recorded:

James L. Arrington	Aye
Jerry J. Butler	Aye
J. Dave Allen	Aye
Eddie Dean	Absent
Pete J. Elliott	Absent

James L. Arrington, Chairman
Madison County Board of Supervisors

Lisa A. Robertson, County Administrator
And Clerk to the Board

Date Adopted by the Board: June 14, 2011

Copies: James L. Arrington, Jerry J. Butler, J. Dave Allen, Eddie Dean,
Pete J. Elliott, V. R. Shackelford, III & Constitutional Officers
